

Consolidated Financial Results for the Nine Months Ended December 31, 2024 <Under Japanese GAAP>

Company Name: **YUSHIN PRECISION EQUIPMENT CO., LTD.**

Listing: Standard Market of the Tokyo Stock Exchange

Securities code: 6482

URL: <https://www.ype.co.jp/en/>

Representative: Takayo Kotani, Representative Director and President

Inquiries: Kota Oda, Director and Executive Vice President, General Manager of Admin. Div.

Tel: +81-75-933-9555

Scheduled date to commence dividend payments: -

Preparation of supplementary materials on the quarterly financial results: None

Holding of quarterly financial results briefing: None

(Amounts less than one million yen are omitted, unless otherwise noted)

1. Consolidated Business Results for the Nine Months Ended December 31, 2024

(From April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	18,785	14.5	1,405	7.3	1,376	(3.2)	969	5.3
December 31, 2023	16,411	1.2	1,309	(35.1)	1,421	(34.7)	920	(41.4)

Note: Comprehensive income Nine months ended December 31, 2024: 1,328 million yen [(18.9)%]

Nine months ended December 31, 2023: 1,637 million yen [(9.4)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	28.50	-
December 31, 2023	27.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	40,947	35,027	84.6
As of March 31, 2024	42,821	34,418	79.6

Reference: Equity capital

As of December 31, 2024: 34,626 million yen

As of March 31, 2024: 34,069 million yen

2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	10.00	—	10.00	20.00
FY2025	—	10.00	—		
FY2025 (Forecast)				10.00	20.00

Note : Revisions to projected dividends most recently announced: None

3. Consolidated Earnings Forecast for the FY2025 (From April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2025	25,500	8.0	2,600	6.7	2,600	0.5	1,800	6.4	52.89

Note: Revisions to projected results most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of the special accounting methods: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes related to quarterly consolidated financial statements < Adoption of special accounting methods for preparation of quarterly financial statements >” on page 8 of [Attached Material] for further information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes related to quarterly consolidated financial statements < Notes on changes in accounting policies >” on page 8 of [Attached Material] for further information.

(4) Number of issued shares (Common stock)

- 1) Number of issued shares at the end of the period (including shares of treasury shares)
- 2) Number of shares of treasury shares at the end of the period
- 3) Average number of outstanding shares during the period

As of Dec. 31, 2024	35,638,066 Shares	As of March 31, 2024	35,638,066 Shares
As of Dec. 31, 2024	1,603,449 Shares	As of March 31, 2024	1,603,219 Shares
Nine months ended Dec. 31, 2024	34,034,768 Shares	Nine months ended Dec. 31, 2023	34,034,929 Shares

* Review of the attached “Consolidated Financial Results for the Nine Months” by a certified public accountant or auditing firm: None

* Cautionary statement with respect to forward-looking statements and other special remarks

The forecasts above are based on the information currently available. A number of factors could cause actual results to differ materially from expectations. For more information about these assumptions and notes regarding the use of earnings forecasts, please refer to “1. Overview of business performance, etc., (3) Explanation on the forecast information including consolidated earnings forecast and others” on page 3 of [Attached Material].

* Disclaimer:

This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. YUSHIN PRECISION EQUIPMENT CO., LTD. shall accept no responsibility or liability for damages or loss caused by any error, inaccuracy, misunderstanding or misspelling with regard to this translation. This translation may be used only for reference purposes. YUSHIN PRECISION EQUIPMENT CO., LTD. maintains the right to claim compensation from violators for any damage or loss it may suffer from the violation of these conditions.

[Attached Material]**INDEX**

1. Overview of business performance, etc.	2
(1) Overview of business performance for the quarter	2
(2) Overview of the financial position for the quarter	2
(3) Explanation on the forecast information including consolidated earnings forecast and others	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income	6
Quarterly consolidated statements of income	6
Quarterly consolidated statements of comprehensive income	7
(3) Notes related to quarterly consolidated financial statements	8
< Notes on changes in accounting policies >	8
< Adoption of special accounting methods for preparation of quarterly financial statements >	8
< Segment information >	8
< Notes in the event of significant changes in shareholders' equity >	9
< Notes related to going concern assumption >	9
< Notes to the consolidated quarterly statements of cash flows >	9
3. Supplemental Information	10
(1) Orders, backlog and sales	10
(2) Overseas sales	10

1. Overview of business performance, etc.

(1) Overview of business performance for the quarter

During the nine months of the current fiscal year, the global situation remained uncertain, with factors such as the continued high interest rates in Europe and the United States, the rise in material prices due to the prolonged geopolitical risks, and the stagnation of the Chinese economy due to the continued real estate slump. On the other hand, in Japan, there are signs of a gradual economic recovery and a recovery in capital investment, such as the expansion of inbound demand.

Under these circumstances, our group has continued to work on cultivating new customers on a global scale and expanding sales of custom-ordered medical equipment, and we have steadily shipped the high level of orders received in the consolidated fiscal year before last year and the previous consolidated fiscal year and received acceptance for these orders, and sales of custom-ordered equipment have increased. In terms of business performance for the nine months of the current consolidated fiscal year, compared to the nine months of the previous consolidated fiscal year, sales in Europe increased due to the contribution of large orders for custom-ordered medical equipment. In addition, sales in Japan also increased due to the success of increased sales of custom-ordered equipment and palletizing robots based on demand for labor-saving. As a result, consolidated Net sales increased by 14.5% year-on-year to 18,785 million yen. In terms of profits, Operating profit increased by 7.3% year-on-year to 1,405 million yen, due to the impact of the increase in consolidated Net sales, despite factors such as an increase in personnel expenses associated with proactive investment in human resources. Ordinary profit decreased by 3.2% year-on-year to 1,376 million yen due to foreign exchange losses, and quarterly Profit attributable to owners of parent increased by 5.3% year-on-year to 969 million yen.

The business results for each segment are as follows.

(Japan)

Net sales were 11,556 million yen (up 14.1% year-on-year) due to an increase in sales of custom-ordered equipment, and Operating profit was 1,050 million yen (up 42.8% year-on-year.)

(United States)

Net sales were 3,079 million yen (down 13.6% year-on-year), and Operating loss was 70 million yen (Operating profit of 457 million yen in the same period of the previous year.)

(Asia)

Net sales were 4,180 million yen (up 13.1% year-on-year), and Operating profit was 309 million yen (up 27.4% year-on-year.)

(Europe)

Net sales were 4,035 million yen (up 65.8% year-on-year) due to increased sales of custom-ordered equipment, and Operating profit was 179 million yen (up 253.6% year-on-year.)

(2) Overview of the financial position for the quarter

(Assets)

Current assets decreased by 1,911 million yen compared to the end of the previous consolidated fiscal year to 26,292 million yen. This was due to factors such as a 459 million yen increase in Notes and accounts receivable-trade, and a 2,307 million yen decrease in Cash and deposits. There were no significant changes in Non-current assets, and total Assets decreased by 1,873 million yen compared to the end of the previous consolidated fiscal year to 40,947 million yen.

(Liabilities)

Current liabilities decreased by 2,438 million yen compared to the end of the previous consolidated fiscal year to 5,280 million yen. This was due to a decrease of 1,715 million yen in Advances received. There were no significant changes in Non-current liabilities, and total Liabilities decreased by 2,482 million yen compared to the end of the previous consolidated fiscal year to 5,920 million yen.

(Net assets)

Net assets increased by 608 million yen compared to the end of the previous consolidated fiscal year, to 35,027 million yen.

(3) Explanation on the forecast information including consolidated earnings forecast and others

At this time, there are no changes to the full-year Consolidated Earnings Forecasts for the fiscal year ending March 31, 2025 that was announced in Consolidated Financial Results released on May 15, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2024	As of December 31, 2024
<ASSETS>		
Current assets		
Cash and deposits	13,405,550	11,098,176
Notes and accounts receivable - trade	6,008,743	6,468,456
Merchandise and finished goods	1,039,963	1,250,183
Work in process	1,847,517	1,598,327
Raw materials and supplies	5,083,804	5,216,601
Other	825,974	676,009
Allowance for doubtful accounts	(8,144)	(15,491)
Total current assets	28,203,409	26,292,264
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,554,412	3,729,086
Land	6,851,964	6,842,674
Other, net	342,822	338,882
Total property, plant and equipment	10,749,199	10,910,643
Intangible assets		
Goodwill	495,549	443,479
Customer-related intangible assets	1,579,493	1,521,742
Other	186,509	183,553
Total intangible assets	2,261,552	2,148,776
Investments and other assets		
Investment securities	547,665	544,775
Retirement benefit asset	274,329	265,476
Deferred tax assets	594,628	588,689
Other	254,006	250,714
Allowance for doubtful accounts	(63,410)	(53,451)
Total investments and other assets	1,607,219	1,596,204
Total non-current assets	14,617,972	14,655,624
Total assets	42,821,381	40,947,888

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	2,011,414	1,902,277
Electronically recorded obligations - operating	522,006	386,444
Accounts payable - other	587,290	606,247
Income taxes payable	467,798	124,273
Advances received	3,062,706	1,347,592
Provision for bonuses	357,387	165,501
Provision for bonuses for directors	25,450	21,000
Provision for product warranties	284,344	188,477
Other	401,126	538,830
Total current liabilities	7,719,523	5,280,645
Non-current liabilities		
Retirement benefit liability	115,810	112,690
Deferred tax liabilities	387,380	335,464
Other	179,732	191,269
Total non-current liabilities	682,922	639,423
Total liabilities	8,402,446	5,920,069
<NET ASSETS>		
Shareholders' equity		
Share capital	1,985,666	1,985,666
Capital surplus	2,024,597	2,024,597
Retained earnings	29,125,446	29,414,696
Treasury shares	(1,355,730)	(1,355,880)
Total shareholders' equity	31,779,981	32,069,079
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285,889	283,881
Foreign currency translation adjustment	1,958,804	2,239,195
Remeasurements of defined benefit plans	45,210	34,792
Total accumulated other comprehensive income	2,289,904	2,557,869
Non-controlling interests	349,049	400,869
Total net assets	34,418,934	35,027,818
Total liabilities and net assets	42,821,381	40,947,888

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income
Nine months ended December 31

	(Thousands of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	16,411,561	18,785,363
Cost of sales	9,671,539	11,288,081
Gross profit	6,740,021	7,497,282
Selling, general and administrative expenses	5,430,271	6,092,240
Operating profit	1,309,749	1,405,041
Non-operating income		
Interest income	17,196	20,318
Dividend income	10,305	14,517
Foreign exchange gains	67,672	-
Other	18,832	20,787
Total non-operating income	114,007	55,624
Non-operating expenses		
Foreign exchange loss	-	82,840
Other	1,757	1,449
Total non-operating expenses	1,757	84,290
Ordinary profit	1,421,999	1,376,375
Extraordinary income		
Gain on sales of non-current assets	5,114	4,490
Total extraordinary income	5,114	4,490
Extraordinary losses		
Loss on sales and retirement of non-current assets	30,205	18,664
Total extraordinary losses	30,205	18,664
Profit before income taxes	1,396,908	1,362,200
Income taxes	432,169	337,434
Profit	964,739	1,024,766
Profit attributable to non-controlling interests	43,807	54,820
Profit attributable to owners of parent	920,932	969,945

Quarterly consolidated statements of comprehensive income
Nine months ended December 31

	(Thousands of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	964,739	1,024,766
Other comprehensive income		
Valuation difference on available-for-sale securities	86,189	(2,008)
Foreign currency translation adjustment	593,391	316,260
Remeasurements of defined benefit plans, net of tax	(7,093)	(10,418)
Total other comprehensive income	672,488	303,833
Comprehensive income	1,637,227	1,328,599
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,577,139	1,237,910
Comprehensive income attributable to non-controlling interests	60,088	90,689

(3) Notes related to quarterly consolidated financial statements**< Notes on changes in accounting policies >****< Application of “Accounting Standard for Current Income Taxes” and others >**

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standards”) and others have been applied from the beginning of the first quarter of the consolidated accounting period. The amendments to the classification of income taxes (taxation on Other comprehensive income) and others are in accordance with the transitional treatment prescribed in the proviso of Article 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso of Article 65-2(2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). There is no impact on the semi-annual consolidated financial statements due to this change in accounting policy.

< Adoption of special accounting methods for preparation of quarterly financial statements >

Calculation method for tax expenses

The effective tax rate on Profit before income taxes for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to Profit before income taxes for the quarterly period under review.

< Segment information >

I Nine Months of FY2024 (From April 1, 2023 to December 31, 2023)

1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	7,029,179	3,548,231	3,420,007	2,414,141	16,411,561	-	16,411,561
Inter-segment sales or transfers	3,098,142	14,356	274,267	19,584	3,406,351	(3,406,351)	-
Total	10,127,322	3,562,587	3,694,275	2,433,726	19,817,912	(3,406,351)	16,411,561
Segment profit	736,130	457,658	243,056	50,718	1,487,564	(177,815)	1,309,749

*Notes 1: The (177,815) thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of (71,953) thousand yen and inventory adjustments of (105,861) thousand yen.

*Notes 2: Segment profit is adjusted to be consistent with Operating profit shown on the quarterly consolidated statements of income.

2. Information on assets by reportable segment

(Significant increase in assets due to acquisition of subsidiary)

In the first quarter of the consolidated accounting period, the Company acquired all shares of WEMO Automation AB and included it in the scope of consolidation, and as a result, segment assets in “Europe” increased by 3,146,354 thousand yen compared to the end of the previous consolidated fiscal year.

3. Information on impairment losses on Non-current assets or Goodwill, etc. by reportable segment

(Significant impairment losses on Non-current assets)

Not applicable

(Significant changes in the amount of Goodwill)

In the first quarter of the consolidated accounting period, the Company acquired all shares of WEMO Automation AB, making it a subsidiary, and Goodwill was generated in the “Europe” segment. The amount of increase in Goodwill due to this event was 518,285 thousand yen in the third

quarter of the consolidated cumulative period. The amount of Goodwill is the amount after reflecting a significant revision to the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment for the business combination.

(Significant gain on negative Goodwill)

Not applicable.

II Nine Months of FY2025 (From April 1, 2024 to December 31, 2024)

1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	7,872,770	3,057,544	3,910,947	3,944,101	18,785,363	-	18,785,363
Inter-segment sales or transfers	3,683,836	21,838	269,066	91,178	4,065,919	(4,065,919)	-
Total	11,556,606	3,079,383	4,180,014	4,035,279	22,851,283	(4,065,919)	18,785,363
Segment profit	1,050,883	(70,566)	309,682	179,325	1,469,324	(64,283)	1,405,041

*Notes 1: The (64,283) thousand yen adjustment to segment profit or loss includes eliminations for inter-segment transactions of (10,101) thousand yen and inventory adjustments of (54,181) thousand yen.

*Notes 2: Segment profit or loss is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. Information on assets by reportable segment

Not applicable

3. Information on impairment losses on Non-current assets or Goodwill, etc. by reportable segment

(Significant impairment losses on Non-current assets)

Not applicable

(Significant changes in the amount of Goodwill)

Not applicable

(Significant gain on negative Goodwill)

Not applicable

< Notes in the event of significant changes in shareholders' equity >

None

< Notes related to going concern assumption >

None

< Notes to the consolidated quarterly statements of cash flows >

A quarterly consolidated cash flow statement for the third quarter of the current consolidated cumulative period has not been prepared. The depreciation (including amortization of intangible non-current liabilities excluding Goodwill) and amortization of Goodwill for the third quarter of the current consolidated cumulative period are as follows.

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	434,239	484,065
Amortization of Goodwill	38,187	60,348

3. Supplemental Information

(1) Orders, backlog and sales

a. Orders

1) Order received

(Thousands of yen)

Products	Nine Months of FY2024	Nine Months of FY2025	Change (%)
Robots	10,078,267	11,517,097	114.3
Custom-ordered equipment	3,306,801	2,493,216	75.4
Parts and maintenance services	3,323,738	3,514,110	105.7
Total	16,708,807	17,524,424	104.9

2) Backlog of orders

(Thousands of yen)

Products	As of December 31, 2023	As of December 31, 2024	Change (%)
Robots	3,362,262	4,026,174	119.7
Custom-ordered equipment	6,445,627	3,019,275	46.8
Parts and maintenance services	476,012	454,720	95.5
Total	10,283,902	7,500,170	72.9

b. Net sales

(Thousands of yen)

Products	Nine Months of FY2024	Nine Months of FY2025	Change (%)
Robots	10,201,928	10,571,946	103.6
Custom-ordered equipment	3,108,697	4,726,783	152.1
Parts and maintenance services	3,100,934	3,486,634	112.4
Total	16,411,561	18,785,363	114.5

(2) Overseas sales

Nine months of FY2024 (from April 1, 2023 to December 31, 2023)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,738,545	4,505,473	1,817,090	842,360	10,903,469
II Consolidated net sales					16,411,561
III Ratio of overseas sales to consolidated net sales (%)	22.8	27.5	11.1	5.1	66.4

Nine months of FY2025 (from April 1, 2024 to December 31, 2024)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	3,334,212	4,887,048	3,460,720	630,719	12,312,701
II Consolidated net sales					18,785,363
III Ratio of overseas sales to consolidated net sales (%)	17.7	26.0	18.4	3.4	65.5